



**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2003 ASSEMBLY BILL 592**

October 28, 2003 – Offered by JOINT COMMITTEE ON FINANCE.

- 1 **AN ACT relating to:** supplemental Medical Assistance payments to county, city,
2 town, or village nursing homes.

Analysis by the Legislative Reference Bureau

Under current law, as affected by 2003 Wisconsin Act 33 (the biennial budget act), the amount of Medical Assistance (MA) moneys that the Department of Health and Family Services (DHFS) may pay, under a formula, as supplements to counties, cities, villages, or towns that operate nursing homes, for reduction of operating deficits of the nursing homes, or may pay to care management organizations, is limited to a total of \$37,100,000 in each fiscal year, beginning July 1, 2003.

Also under current law, the MA trust fund (MATF) is composed of all public funds that are related to MA nursing home payments and are transferred to the MATF as the nonfederal share for the purpose of claiming federal MA moneys (commonly called “intergovernmental transfers”); all of the matching moneys received in return under the federal MA program; and, except for specified amounts, all moneys received from monthly assessments on licensed beds of nursing homes and intermediate care facilities for the mentally retarded. Counties, cities, villages, and towns that make intergovernmental transfers for the purpose of claiming federal MA moneys are, in turn, reimbursed by DHFS from the MATF. Remaining amounts in the MATF are expended for numerous purposes related to MA, such as MA benefits, the Badger Care health care program, nursing home rate increases, and supplements to nursing homes operated by counties, cities, villages, or towns to reduce operating deficits.

This substitute amendment requires that, for fiscal years 2003-04 and 2004-05, in addition to the \$37,100,000 MA moneys that DHFS may pay as supplements for nursing homes operated by counties, cities, villages, or towns or as payments to care management organizations, DHFS distribute as nursing home supplements any additional federal MA moneys received as the result of intergovernmental transfers in support of nursing home payments that were not anticipated and budgeted as revenue under the biennial budget act. Further, the substitute amendment prohibits including any of these additional federal MA moneys, if received, in the base of the relevant DHFS appropriation accounts for the purpose of determining the adjusted base funding level for DHFS for fiscal year 2005-06.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. Nonstatutory provisions.

(1) SUPPLEMENTAL PAYMENTS TO NURSING HOMES. (a) Notwithstanding the limitation under section 49.45 (6u) (am) (intro.) of the statutes on supplemental payments for reduction of operating deficits incurred by nursing homes owned or operated by counties, cities, villages, or towns, in fiscal years 2003-04 and 2004-05, the department of health and family services shall from the appropriation under section 20.435 (4) (w) of the statutes distribute for this purpose, under criteria specified in section 49.45 (6u) (am) 1. to 7. of the statutes, any additional federal Medical Assistance moneys received, based on the funds of counties, cities, villages, and towns that are transferred to the Medical Assistance trust fund, certified under 42 CFR 433.51 (b), reimbursed under section 20.435 (4) (wp) of the statutes, and used as the nonfederal share of Medical Assistance funding, that were not anticipated and budgeted as revenue under 2003 Wisconsin Act 33.

(b) Any additional federal Medical Assistance moneys received under paragraph (a) may not be included in the base of an appropriation account under section 20.435 (4) of the statutes for the purpose of determining the adjusted base

1 funding level for the department of health and family services for fiscal year
2 2005-06.

3 (END)